



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT: LOWER SILVER CREEK  
SANITARY SEWER  
REALIGNMENT PROJECT**

**DATE:** 03-17-04

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Approved

Date

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Council District: 5  
SNI: Mayfair

## **RECOMMENDATION**

Report on bids and award of contract for the Lower Silver Creek Sanitary Sewer Realignment Project to the low bidder, K. J. Woods Construction, Inc., in the amount of \$614,000 and approval of a contingency in the amount of \$61,400.  
CEQA: Exempt, PP03-09-287.

## **BACKGROUND**

The Lower Silver Creek Sanitary Sewer Realignment Project is located in the vicinity of Lower Silver Creek at Kammerer Avenue, Sunset Avenue, Lausett Avenue, Sunset Court and Shortridge Avenue (map attached).

The project is intended to isolate and abandon three sanitary sewer siphons under Lower Silver Creek. Included in the project is the abandonment, new installation, removal and replacement of approximately 4,700 feet of 6-inch and 8-inch diameter sanitary sewer mains. The project will also construct new manholes and reconnect all active sanitary sewer laterals to the new sewer collection system.

The project originated in response to the Santa Clara Valley Water District's (District) permit application for removal and reconstruction of sanitary sewer siphons that conflict with planned flood protection improvements along Lower Silver Creek between Alum Rock Avenue and Interstate 680. The District's project scope would have required the removal and replacement of five sanitary sewer siphons. However, analysis by Public Works and Department of Transportation staff determined that it would be beneficial to reconstruct the sanitary sewer system and eliminate three of the siphons. Two essential siphons will be reconstructed by the District's creek channel improvement project.

A cooperative agreement between the City and the District has been executed to allow the District to remove the three siphons after the City's subject project isolates the siphons from service. In addition, the District will provide \$85,000 in reimbursements to the City, which is equivalent to the estimated design and reconstruction costs of the three siphons.

The project will improve the sanitary sewer services in the Lower Silver Creek neighborhood by installing new sewer mains and reducing maintenance costs by eliminating three sanitary sewer siphons. Sewer siphons are highly maintenance intensive, as past maintenance costs have been approximately \$35,000 per year.

Staff obtained the construction permit from the District and executed Right-of-Entry agreements with effected property owners for lateral reconnection work associated with the sewer realignment.

Construction is scheduled to begin in June with completion in September 2004.

### **ANALYSIS**

Bids were received on March 4, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
McGuire and Hester (Oakland)	\$904,799	\$299,799	50
J. Flores Construction Company, Inc. (San Francisco)	796,781	191,781	32
Pacific Underground Construction, Inc. (San Jose)	761,076	156,076	26
K. J. Woods Construction, Inc. (San Francisco)	614,000	9,000	1
<b>Engineer's Estimate</b>	<b>605,000</b>	<b>--</b>	<b>--</b>

The low bid submitted by K. J. Woods Construction, Inc. is one percent over the Engineer's Estimate. Staff considers this reasonable for the work involved.

Council Policy provides for a standard contingency of 10 percent on public works projects involving underground utilities. The standard contingency is appropriate for this project.

**PUBLIC OUTREACH**

This project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

**COORDINATION**

This project and memo have been coordinated with the Departments of Transportation, Finance, Planning, Building and Code Enforcement, the City Attorney's Office and the City Manager's Budget Office.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$614,000

2. COST OF PROJECT:

Project Delivery	\$243,000*
Construction	614,000
Contingency	61,400
<b>TOTAL</b>	<b>\$918,400</b>

\*\$49,294 of the Project Delivery costs was expended in prior fiscal years.

3. SOURCE OF FUNDING: 545 – Sewer Service and Use Charge Capital Improvement Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant adverse impact on the General Fund operating budget. Removal of sanitary sewer siphons will help reduce operating and maintenance costs.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2003-2004 Adopted Capital Budget Page	Last Budget Action (Date, Ord.No.)
545	4271	Miscellaneous Rehabilitation Projects	126785	6,846,000	614,000	148	10/14/03, Ord. No. 26997

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**CEQA**

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KATY ALLEN

Director, Public Works Department

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